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Hospitals would suffer if Delphi slashes jobs

Cheryl Wade , Midland Daily News

With all the predictions about the future demand for health care, Saginaw-area hospitals face one hard pull in the opposite direction: the possibility that Delphi will cut workers and that, in turn, they'd see a big crimp in business.

Joseph Ruth, vice president of network development at Covenant HealthCare, told about 200 people at Thursday's community health care summit in Saginaw a serious cut in Delphi's work force could mean a 10 percent decline in outpatient business for hospitals. In a typical year, Delphi workers account for 1,100 admissions and 13,000 procedures at Covenant.

Ruth's thoughts came during a series of upbeat talks about the need for more health care workers as technology becomes more complex and the population ages.

Although hospitals wouldn't thrive under such conditions, they will survive, he said. Although the future is anyone's guess, Ruth has seen projections as high as a 48 percent reduction in Delphi's work force.

If workers lose their jobs, many would migrate to their spouses' health insurance coverage. Spousal coverage usually is less than what the Delphi workers have had available in the past, Ruth said.

Some workers will leave the community, and that will mean decreased demand for services, Ruth said. That would put a strain on hospitals because they have large buildings, expensive technology and other "fixed costs."

Those who remain in the area and end up without coverage would be able to pay a fraction of the cost of caring for themselves, he said. These people wouldn't be accustomed to paying for such a big chunk of their own health care.

"When people have had to pay very little or nothing out of pocket for health care and they're exposed to this high-deductible type insurance that people are moving toward, there's about a 20 percent default rate," he said. "That's a national statistic."

Hospital officials need to know what the challenges could be, but they shouldn't spend all their time focusing on the sky possibly falling, he said.

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